

PROVIDER BULLETIN

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Providers Billing Pharmacy Claims

CONTENTS

- Covered Outpatient Drug Rule
- Pharmacy Claim Reimbursement
- Mass Adjustment
- 340B Providers

Covered Outpatient Drug Rule

On April 14, 2017, the MO HealthNet Division (MHD) published [Providers Billing Pharmacy Claims](#) detailing changes to pharmacy claims reimbursement. The changes were implemented to meet the requirements of the Centers for Medicare and Medicaid Services (CMS) final rule pertaining to Medicaid reimbursement for covered outpatient drugs. In an effort to ensure the MHD was meeting the requirements of the rule, the MHD conducted a state specific actual acquisition cost (AAC) survey to determine if the proposed methodology met the intention of the rule in the aggregate. As a result of the survey, the MHD is adjusting the reimbursement methodology as outlined below on August 15, 2017. The new methodology will be made retro to April 1, 2017, to meet the implementation date of the Covered Outpatient Drug Rule.

Pharmacy Claim Reimbursement

For pharmacy claims with a date of service on and after April 1, 2017, reimbursement will be determined by applying the following hierarchy methodology:

- Federal Upper Limit (FUL) price, plus professional dispensing fee; if there is no FUL,
- Missouri Maximum Allowed Cost (MAC), plus professional dispensing fee; if no FUL or MAC,
- Wholesale Acquisition Cost (WAC) minus 3.1%, plus professional dispensing fee, OR
- The usual and customary (U&C) charge submitted by the provider IF it is lower than the chosen price (FUL, MAC, or WAC).

The MHD may *not* be billed an amount in excess of the provider's U&C charge for a particular service.

PLEASE NOTE: The professional dispensing fee will only be added to prescriptions filled or refilled by a pharmacy provider. Rural Health Clinics (RHC), Federally Qualified Healthcare Centers (FQHC) and hospital providers will continue to be reimbursed at percent of billed charge.

Mass Adjustment

A systematic mass adjustment will be performed for all pharmacy claims paid at the WAC minus 0.25% rate for dates of service on and after April 1, 2017. The MHD will perform the mass adjustment as efficiently as possible with the least amount of disruption to claims and claims payment as possible. Providers will see this adjustment on their September 8 remittance advice.

340B Providers

On August 15, 2017, 340B providers will also see a decrease in 340B reimbursement. 340B claims will be reimbursed at the lower of the WAC minus 49% plus a professional dispensing fee or the U&C charge. Covered entity providers submitting a claim to the MHD must enter the lowest net charge a non-Medicaid 340B-eligible patient would pay for the prescription in the U&C Charge field (426-DQ).

Covered entity providers that are reimbursed at a percent of billed charge, FQHC and hospital providers, may continue to bill the MHD at the U&C rate and report AAC on their cost reports. These providers will continue to get reimbursed at percent of billed charge.

Provider Bulletins are available on the MO HealthNet Division (MHD) (Formerly the Division of Medical Services) Web site at <http://dss.mo.gov/mhd/providers/pages/bulletins.htm>. Bulletins will remain on the Provider Bulletins page only until incorporated into the [provider manuals](#) as appropriate, then moved to the Archived Bulletin page.

MO HealthNet News: Providers and other interested parties are urged to go to the MHD Web site at <http://dss.mo.gov/mhd/> to subscribe to the electronic mailing list to receive automatic notifications of provider bulletins, provider manual updates, and other official MO HealthNet communications via E-mail.

The information contained in this bulletin applies to coverage for:

- MO HealthNet Fee-for-Service
- Managed Care Services

Questions regarding MO HealthNet Managed Care benefits should be directed to the patient's MO HealthNet Managed Care health plan. Before delivering a service, please check the patient's eligibility status by swiping the MO HealthNet card or by calling the Provider Communications Interactive Voice Response (IVR) System at 573-751-2896 and using Option One for the red or white card.

Provider Communications Hotline
573-751-2896